ON CALHFA CONVENTIONAL MORTGAGE INSURED LOANS

CalHFA conventional loans that are mortgage insured by CalHFA Mortgage Insurance Services will include HomeOpeners[SM]*, a Mortgage Protection Program. This program makes up to six monthly mortgage payments if the borrower becomes involuntarily unemployed, is receiving California Employment Development Department unemployment benefits, and is seeking reemployment.

Adding HomeOpeners to CalHFA conventional loans that are mortgage insured will help overcome borrower concerns about the impact of job loss on owning a home. Borrowers who lose their job involuntarily will have a better chance with HomeOpeners to retain their home and maintain their credit standing while they seek reemployment. Lenders will have an effective tool to avoid loan delinquency and differentiate themselves in a competitive market.

HomeOpeners is offered as part of primary mortgage insurance at no additional cost to the borrower or lender.

I. PROGRAM SUMMARY

MORTGAGE PROTECTION PLAN	CalHFA Homeownership Program conventional loans that are covered by mortgage insurance written by CalHFA Mortgage Insurance Services will include HomeOpeners, a mortgage payment protection program. HomeOpeners will help make monthly mortgage payments if the borrower becomes involuntarily unemployed. This extra coverage is at no additional cost to the borrower(s). Coverage: • A maximum monthly benefit is the lesser of the actual monthly mortgage payment (principal, interest, taxes, and insurance) or $2,500. • The benefit covers a maximum of six (6) monthly payments over the life of the coverage. • Coverage begins on the date the loan closes (effective date), except that benefits are not payable during the “Vesting Period” (first 60 days from the effective date). The coverage remains in effect for a maximum of five years. • All eligible borrowers are required to maintain CalHFA primary mortgage insurance in order to continue HomeOpeners. • Coverage is provided for all qualified borrowers and co-borrowers. The amount of the benefit is based on the ratio of the unemployed borrower’s income to the borrowers’ total income.

*”HomeOpeners” is a service mark of Genworth Mortgage Holdings, LLC.

	• Borrowers and co-borrowers must be directly obligated on the loan. • Borrowers must live in the property that is the subject of the loan. • A 30 day waiting period applies. Borrower must be unemployed during all weekly work periods in the month for which the monthly benefit is claimed. For purposes of the benefit, unemployed means that the borrower is eligible for unemployment benefits from the California Employment Development Department. • Examples of ineligible conditions for HomeOpeners include: – Voluntary unemployment – Borrowers who are self-employed and independent contractors, work for a family member, or own greater than ten percent of a business in which they are employed – Seasonal employment – Temporary employment CalHFA mortgage insurance coverage must be in place at the time of claim. If the CalHFA mortgage insurance is cancelled or terminated, the HomeOpeners benefit also terminates.
TERM	Coverage starts 60 days from the loan closing date and continues for five years.
MORTGAGE PROTECTION IN ADDITION TO MORTGAGE INSURANCE	CalHFA Mortgage Insurance coverage must be in place. If the CalHFA Mortgage Insurance on the loan is cancelled or terminated, the HomeOpeners benefit also terminates. Currently, the Zero Upfront Monthly Mortgage Insurance is provided by CalHFA Mortgage Insurance and is required on the first loan as follows: *95.01%--100% First Loan LTV:* Coverage: 35% Cost: .85% Due: Monthly *90.01% —95% First Loan LTV:* Coverage: 35% Cost: .75 % Due: Monthly *85.01%-90%* Coverage: 35% Cost: .55% Due: Monthly 80.01%-85% Coverage: 35% Cost: .40% Due: Monthly
ELIGIBILE LOANS	Borrowers must be eligible for a CalHFA Conventional loan program. See CalHFA Homeownership Programs program descriptions for additional information.
TRANSACTION TYPE	New purchase loan transactions that close on or after April 1, 2005.
PARTICIPATING LENDERS	All CalHFA approved lenders.

PROGRAM ADMINISTRATION	Virginia Surety Company, Inc. will give borrowers notice of qualification, a summary of the benefits and procedures for claims after the loan is closed. Borrowers should review this material and call the insurer's benefit administrator, cynoSure Financial; toll free at (800) 344-3042 with any questions. Borrowers will submit an application along with evidence of receipt of unemployment benefits from the California Employment Development Department to Virginia Surety. The monthly benefit is the lesser of the actual mortgage payment or $2,500; therefore, there may be circumstances when the benefit is not enough to pay the entire monthly mortgage payment. The borrower will likely need to make up the difference.

FILE TRANSMITTAL	No additional documentation is necessary. Coverage will be placed automatically on mortgage insured CalHFA conventional loans. Only one package is required per loan file. A completed Mortgage Insurance Services Application is required in the file http://www.calhfa.ca.gov/insurance/resources/application.pdf Please send documents to: CALHFA Homeownership Programs 1121 L Street, 7th floor Sacramento, CA 95814

NOTE: The information in this program description is for guidance and discussion with lenders. It is not a contract, and all of its terms are subject to change without notice.
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